BOB F. ANDERSON, PE, INC.

PETROLEUM ENGINEERS & CONSULTANTS TELEPHONE (318) 425-4230 FACSIMILE (318) 222-1054 email: bfandpe@aol.com

July 11, 2003

Honorable James H. Welsh, Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Proposed Additional Unit Upper Hosston Formation Proposed U HOSS SUS West Arcadia Field Bienville Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of CYPRESS OPERATING, INC., (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Upper Hosston Formation, West Arcadia Field, Bienville Parish, Louisiana:

- 1. To establish one (1) additional 640 +/- acre drilling and production unit for the exploration for and the production of gas and condensate for the Upper Hosston Formation, West Arcadia Field, Bienville Parish, Louisiana, such unit being designated U HOSS SUS, shown on the attached plat and being made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property property within each of the proposed units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
- 3. To designate Cypress Operating, Inc., as the unit operator for the proposed U HOSS RA SUS and their Joe D. Burns No. 1 Well as the unit well, in exception to the spacing provisions of the 692 Series of Office of Conservation Orders, such well being shown on the attached plat.
- 5. To extend the provisions of the 692 Series of Office of Conservation Orders and other applicable statewide orders to the Upper Hosston Formation unit being proposed herein, except as they may be in conflict herewith.

6. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Upper Hosston Formation in the West Arcadia Field, Bienville Parish, Louisiana, was fully defined in the 692 Series of Office of Conservation Orders.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318-425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained at the expense of the requesting party.

A pre-hearing notice was sent to all parties stating a time and date for a conference to discuss the proposed application and any objections thereto, however, no requests for a conference was received, therefore, no conference was held.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list. Upon receipt of the legal notice, it will be posted in a prominent place and will be published in a newspaper of general circulation in the area of the West Arcadia Field.

Attached in our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,

B. F. Anderson, PE for

CYPRESS OPERATING, INC.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation Interested Owners, Represented Parties and Interested Parties Cypress Operating, Inc.

